



**Committee: Education, Health & Environmental Affairs**  
**Testimony on: SB528 - “Climate Solutions Now Act of 2022”**  
**Organization: WISE**  
**Person Submitting: Monica O’Connor, Legislative Liaison**  
**Position: Favorable with Amendments**  
**Hearing Date: February 15, 2022**

Dear Mr. Chairman and Committee Members:

Thank you for allowing our testimony today. WISE is an all-volunteer women-led group of advocates formed in Anne Arundel County, and has over 600 members. WISE urges you to vote favorably on SB528.

**First**, SB528 tasks the existing Maryland Commission on Environmental Justice and Sustainable Communities to solicit input from all segments and communities in developing strategies to address the priorities of environmental justice communities, and to reduce greenhouse gas emissions and co-pollutants in the communities that have a disproportionate concentration of polluting industries and highways. The commission will also coordinate with vulnerable communities that are particularly challenged by storm surges, heat islands, lack of tree canopy and other effects attributable to climate change and to coordinate with and report to the Maryland Commission on Climate Change and the Maryland Department of the Environment (MDE), from which the MDE will act on those recommendations.

Similarly, the bill establishes a Just Transition and Retraining Work Group, composed of representatives of labor, the NAACP, and formerly incarcerated individuals, as well as registered apprenticeship sponsors, representatives of the solar and wind industry to assist in a just transition.

Additionally, SB528 creates a Climate Justice Corps composed principally of young people to create career training opportunities in the new green economy, particularly for youth from disadvantaged communities. ***However, with respect to this particular provision, we agree with Sunrise that the Corps should also provide good jobs, with good pay and good health benefits so that individuals from disadvantaged communities can truly take advantage of the career training opportunities in the program. In this regard, we recommend coordinating with Senate President Ferguson who sponsored SB228, a bill that amends the current Maryland Corps program and that has the opposite problem – it provides good jobs, but does not provide the same career development opportunities in the developing green economy.***

We also strongly support the other top line goals of the legislation, but we would like to focus our remaining testimony upon the buildings and schools pieces.

Because buildings constitute 40% of Maryland’s greenhouse gas emissions and 90% of its electricity consumption, it is critical, as this bill does, to address those emissions from both new and existing buildings.

### **Building Emissions Standards, All Electric Code for water and space heating, and Adoption of the International Green Construction Code:**

The bill requires adoption of an above code all electric construction code and the International Green Construction Code. These provisions will position new buildings in Maryland to reduce their greenhouse gas emissions by not relying on fossil fuels and to focus on sustainable building materials and other sustainability measures.

- **The Building Emissions Standards** will require commercial and multifamily buildings that are 25,000 square feet or large to reduce their greenhouse gas emissions 100% by 2040, with interim targets; and for public buildings to reach that target by 2035. It also includes a number of smart complementary components that make the program work for the public:

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- **The Climate Transition & Clean Energy Hub** which acts as a clearinghouse for information, technical advice and financial incentives for the public and professionals;
- **The Climate Catalytic Capital Fund** to provide the MCEC (Maryland's Green Bank) financing that includes C-Pace financing and creation of a green bonds program. These aspects allow financing to attach to the building itself, which is important for private owners, and the green bond fund will help to attract private capital to further enhance the utility of the fund. Depending on the program, every \$1 of public investment in green bank funding generates \$4 to \$7 of private capital.
- **The Building Energy Transition Implementation Task Force-** to develop recommendations for further complementary programs and incentives aimed at reducing greenhouse gas emissions from the building sector; and
- **The Expansion of the utilities' EMPOWER** program that will expand and increase rebates and other energy efficiency measures for consumers.

## **Energy Efficiency**

It is equally critical to increase the energy efficiency of our buildings. One key reason buildings constitute 40% of Maryland's greenhouse gas emissions is because of their outsize draw on the grid, which is not yet clean. Also, as we transition to a fossil free economy, we need to reduce the buildings sector's draw on the grid in order to maintain the integrity of the grid. We therefore ask that SB528 require an energy use reduction pathway.

## **Schools**

SB528 is more conservative than it needs to be with respect to schools by providing only for a pilot program for net-zero schools. We already know that the upfront construction costs of net-zero and net-zero ready schools are comparable to the costs of conventional schools, as proven by the two net-zero schools in Baltimore. Those schools were built at a cost of \$358 and \$364 (including the solar panels) per square foot with site preparation as compared to \$360 per square foot for conventional schools in that same year of construction. And of course these schools will have substantially lower operating costs because they consume substantially less energy. These energy savings are all the more important when you consider the MCCC has projected that gas delivery charges will increase 2 to 5 times by 2045 over

current rates. Finally, by using the zero energy buses that are another aspect of SB528 as battery backup (as is being developed in Montgomery County), schools can act to further reduce their draw on the grid (or even to provide additional energy to the grid) and serve to strengthen our schools' ability to act as important resiliency hubs in times of emergency.

At a minimum, schools should be required to be net-zero ready so they can add solar panels at a later day.

For these reasons, we urge you to adopt our proposed amendments and vote favorably for SB528.

### Priority Amendments

#### *Building electrification and efficiency:*

- Climate Catalytic Capital Fund
  - Explicitly state that 40% of funds from the Climate Catalytic Capital Fund be spent in low and moderate-income neighborhoods and that funds can be spent on whole-structure retrofits (including multi-family buildings) including health, safety, weatherization, and electrification measures.
  - The purpose of the funds should explicitly include “Facilitate the electrification of the building sector”.
  - Explicitly state that funds cannot be used for installation of new equipment that uses fossil fuels
  - Funds from alternative compliance payments should go to the Climate Catalytic fund to be spent on low-income whole-structure retrofits, including low-income multi-family buildings.
- On page 35, lines 2-3, strike “water and space heating” and substitute “on-site energy” and add on line 3, “except for kitchen appliances”.
- On page 35, following line 9, add energy efficiency provisions for buildings. Add:
  - D. For new covered buildings funded at least 25% by State funds
    - A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2023 and Dec 31 2025
    - A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2025 and Dec 31 2027
  - E. For all other new covered buildings
    - A 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received between Jan 1 2025 and Dec 31 2027
    - A 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code for permit applications received F. MAJOR RENOVATIONS – Energy Conservation
  - F. “Major Renovation” means a renovation project:
    - For which the total projected cost exceeds 50% of the assessed value of the existing building; or

- Involving a change of use, if the change involves the application of different requirements of the standards.
- G. Except as provided in subsection ( ) of this section, if a covered building is undergoing a major renovation, the building shall be renovated to achieve:
- A 40% reduction in the building’s average annual energy use; or
  - A 20% reduction in modeled energy use consumption over the current Energy Code.

H. A local jurisdiction may waive the requirements under subsection ( ) of this section if the building owner demonstrates that the cost of the improvements necessary to achieve the required energy reductions would exceed projected operational and energy savings from the improvements over a certain payback period:

- o A 25–year period for all buildings funded at least 25% by the State.
- o A 15–year period for all other buildings.
- Provisions regarding “alternative compliance pathway” on page 47, lines 20 -23, and lines 27-29, should be sunsetted. We suggest a sunset of 12/1/2030
- Pages 47, delete lines 18-19 ( “PROVIDE MAXIMUM FLEXIBILITY TO THE OWNERS OF COVERED BUILDINGS TO COMPLY WITH BUILDING EMISSIONS STANDARDS”)
- The Building Emission Performance Standards regulations directive under 2-1602 (C) should
  - o require that the adopted regulations prioritize direct emission reductions from qualified buildings via electrification plans and pathways,
  - o provide protection against financial cost pass-through and evictions for tenants in covered multi-family buildings, 3) require covered public buildings’ retrofits to be completed with a high-quality workforce (i.e. prevailing wage, insurance coverage, paid leave, etc.) (pg. 48)

*Equity and Environmental Justice Provisions*

- Strengthen the provisions on pages 9-12 by including language that requires 40% of investments go to overburdened communities and Rosenberg Justice 40 bill and/or the Boyce/Watson all agency climate, equity, and labor test language.
  - o The language in the Boyce/Watson all agency climate, equity and labor test should be incorporated on page 22, lines 12-15 as well
  - o The Interagency Commission on School Construction should be included as an agency required to consider climate in long-term planning

*Net Zero Schools*

- Explicitly state that the IAC state school construction funding process may cover planning, design, and engineering for net-zero schools.
- School buildings that are not net-zero should be net-zero ready Insert on Page 35, following line 6  
(12-501(3)(I)(2)(A (under the provision requiring solar ready):
  - A. The Installation of Solar Energy Systems
    - To include a 40% roof set aside and necessary electrical panel and conduit requirements. if the building:
    - Will have 20,000 square feet or more of continuous roof space, excluding the parking area; and
    - Will be 20 stories or less in height, above grade plane.
  - B. Regulations adopted under this subsection may authorize a local jurisdiction to waive the solar–ready requirement for a building on a specific finding that:
    - incident solar radiation at the building site is less than 75% of incident solar radiation at an open site; or
    - shadow studies indicate that 25% of a building’s roof area will be in shadow.

- Clarify the definition of “Solar Ready” to include the 40% roof set aside and the necessary electrical panel and conduit requirements.
- Delete “subject to the availability of funding” on Page 8 Line 14 and replace that language with one of the options below -
- P. 8, line 9-13, (5-312(c)(2)(I), Delete para. “Except as Provided in . . . Delete 5-312 (c) (2) (I) of the Education Article that was inserted: except as provided in subparagraph (iii) of this paragraph, the net-zero energy requirements that apply for a building to meet the definition of a ‘high performance building” under § 3-602.1 12 of the state finance and procurement article

OR

- Amend to read: Except as provided in Subparagraph III of this Paragraph, Public Schools shall be required to achieve a 40% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2023 and a 60% reduction in modeled energy use consumption over the 2018 International Energy Conservation Code by 2025.
- Pg 40 line 15-17. Remove having the Council develop guidelines and instead require them to provide an annual report on the status of meeting the high performance building requirements.
- Pg 8, line 25 – pg 9, line 2. If a school qualifies for a waiver because the Interagency Commission determines that either (I) or (II) is true, the school must be net-zero READY.

*Buy Clean Maryland Act*

- Consider adding To SB528 the **Buy Clean Maryland Act** provisions from HB806 - Del. Stein Public Buildings bill with one change related to the waiver provisions.
  - Section 4-904 (E) **Strike** - ~~(4) RESULT IN ONLY ONE SOURCE OR MANUFACTURER BEING ABLE TO PROVIDE THE NECESSARY MATERIALS.~~
  - **Add** - (F) IF ONLY ONE SOURCE OR MANUFACTURER IS ABLE TO PROVIDE THE NECESSARY MATERIALS, A SOLE SOURCE PROCUREMENT MAY BE ALLOWED, PROVIDED NONE OF THE OTHER WAIVER DETERMINATIONS ARE MADE.